
A BILL FOR AN ACT

RELATING TO KAKAAKO.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that in early 2007, the
2 Hawaii community development authority plans to begin the Queen
3 street widening project referred to as ID-11. Although this
4 project includes features that benefit the community at large,
5 the widening project will have serious impacts for small
6 businesses in the Queen street area between Kamakee street and
7 Ward avenue.

8 During 2005-2006, state and county elected officials sought
9 to work with the Hawaii community development authority and the
10 county administration in arriving at solutions for two issues of
11 particular concern for small businesses in the area:

12 (1) Loss of parking immediately adjacent to the
13 businesses; and

14 (2) The businesses' share of assessments for the road
15 improvements.

16 Affected small businesses also participated in the Kakaako
17 mauka plan and rules revisions community meetings, which led to



1 proposed 2006 plan revisions that tackle the adjacent parking
2 issues, fee assessments, and related community and business
3 issues on Queen street in a practical manner. In part, the
4 revisions:

- 5 (1) Recommend deletion of the Halekauwila-Queen streets
6 couplet (part of the original street-widening
7 rationale);
- 8 (2) Propose that all streets have sidewalks and drainage
9 as part of the long-term improvements; and
- 10 (3) Propose that no new improvement districts for the
11 central Kakaako area be programmed unless initiated or
12 supported by the small business community and
13 landowners; with fee assessments, parking, and
14 business disruption issues resolved before initiation
15 of an improvement district project.

16 In addition, a portion of the Queen street widening project
17 between Kamakee street and Cooke street has not been funded by
18 the legislature. Therefore, rather than embarking on half of
19 the Queen street improvements on a piece meal basis, the most
20 cost-effective approach is to modify the Queen street
21 realignment project to conform to recommendations in the Kakaako
22 mauka plan and rules revisions. Further community meetings were



1 held in December 2006, and final public review and adoption of
2 the plan's 2006 revisions will not be completed until mid-2007.

3 The purpose of this Act is to:

4 (1) Establish a Kakaako central small business district;

5 (2) Require the authority to confer and obtain consensus
6 from the real property owners and small businesses
7 within and adjacent to a proposed public facility
8 prior to undertaking any public facility as part of
9 the district-wide improvement program;

10 (3) Require that the dedication for public school
11 facilities be on a fair-share basis, as determined by
12 the department of education, and agreed upon in
13 writing by the department of education and the
14 developer;

15 (4) Transfer \$ from the Hawaii community
16 development revolving fund to the department of
17 education; and

18 (5) Require modification of the Queen street realignment
19 project between Kamakee street and Cooke street, in
20 conjunction with recommendations made by the Kakaako
21 mauka plan and rules revisions.



1 SECTION 2. Chapter 206E, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§206E- Kakaako central small business district;
5 established. Within the Kakaako community development district,
6 there is established the Kakaako central small business
7 district. The Kakaako central small business district shall
8 include the area bounded by Kapiolani boulevard from its
9 intersection with Cooke street to Drier street; to Waimanu
10 street; Waimanu street from its intersection with Drier street;
11 to Queen street; Queen street from its merge with Waimanu street
12 to Ward avenue; Ward avenue from its intersection with Queen
13 street to Auahi street; Auahi street from its intersection with
14 Kamani street; Kamani street to Pohukaina street; Pohukaina
15 street from its intersection with Cooke street; and Cooke street
16 from its intersection with Pohukaina street to Kapiolani
17 boulevard."

18 SECTION 3. Section 206E-6, Hawaii Revised Statutes, is
19 amended by amending subsections (a) and (b) to read as follows:

20 "(a) The authority shall develop a district-wide
21 improvement program to identify necessary district-wide public
22 facilities within a community development district[-]; provided



1 that prior to undertaking any public facility as part of the
2 district-wide improvement program pursuant to subsection (b),
3 the authority shall confer and obtain consensus from the real
4 property owners and small businesses within and adjacent to the
5 proposed public facility.

6 (b) Whenever the authority shall determine to undertake,
7 or cause to be undertaken, any public facility as part of the
8 district-wide improvement program, pursuant to subsection (a),
9 the cost of providing the public facilities [~~shall~~] may be
10 assessed against the real property in the community development
11 district specially benefiting from [~~such~~] the public
12 facilities[~~-~~]; pursuant to subsection (a). The authority shall
13 determine the areas of the community development district
14 [~~which~~] that will benefit from the public facilities to be
15 undertaken and, if less than the entire community development
16 district benefits, the authority may establish assessment areas
17 within the community development district[~~-~~]; pursuant to
18 subsection (a). The authority may issue and sell bonds in
19 [~~such~~] amounts as may be authorized by the legislature to
20 provide funds to finance [~~such~~] the public facilities. The
21 authority [~~shall~~] may fix the assessments against real property
22 specially benefited[~~-~~]; pursuant to subsection (a). All



1 assessments made pursuant to this section shall be a statutory
2 lien against each lot or parcel of land assessed from the date
3 of the notice declaring the assessment until paid and ~~such~~ the
4 lien shall have priority over all other liens except the lien of
5 property taxes. As between liens of assessments, the earlier
6 lien shall be superior to the later lien."

7 SECTION 4. Section 206E-12, Hawaii Revised Statutes, is
8 amended to read as follows:

9 **"§206E-12 Dedication for public facilities as condition to**
10 **development.** The authority shall establish rules requiring
11 dedication for public facilities of land or facilities, or cash
12 payments in lieu thereof, by developers as a condition of
13 developing real property pursuant to the community development
14 plan~~(-)~~; provided that the dedication for public school
15 facilities shall be on a fair-share basis, as determined by the
16 department of education, and terms of the dedication shall be
17 agreed upon in writing by the department of education and the
18 developer prior to the developer obtaining building permits for
19 any aspect of the development. Where state and county public
20 facilities dedication laws, ordinances, or rules differ, the
21 provision for greater dedication shall prevail."



1 SECTION 5. Section 206E-16, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "[+]§206E-16[+] **Hawaii community development revolving**
4 **fund.** There is created the Hawaii community development
5 revolving fund into which all receipts and revenues of the
6 authority shall be deposited. Proceeds from the fund shall be
7 used for the purposes of this chapter[-]; provided that the
8 authority shall transfer all receipts and revenues from any
9 dedication for public school facilities, made pursuant to
10 section 206E-12, to the department of education."

11 SECTION 6. There is appropriated out of the Hawaii
12 community development revolving fund the sum of \$, or so
13 much thereof as may be necessary for fiscal year 2007-2008, to
14 be paid to the department of education, and the \$ shall
15 be expended by the department of education for capital
16 improvement projects for public schools directly adjoining or
17 serving the Kakaako community development district, with student
18 populations that reflect a disproportionate share of low
19 socioeconomic strata and unmet community needs, and for the
20 future study and design of a new public school facility located
21 in the Kakaako community development district.



1 SECTION 7. The department of education shall report to the
2 legislature on the expenditure of the \$ transferred
3 from the Hawaii community development revolving fund for the
4 public schools serving the Kakaako community development
5 district, no later than twenty days prior to the convening of
6 the regular session of 2008, and annually thereafter until all
7 moneys are expended.

8 SECTION 8. Notwithstanding any law to the contrary, the
9 Hawaii community development authority shall not plan, engage
10 in, begin, or continue any capital improvement project within
11 the Kakaako central small business district as identified in
12 section 206E- , Hawaii Revised Statutes, that involve any
13 infrastructure construction or street improvements, pending
14 adoption by the authority of the Kakaako mauka plan and rule
15 revisions; provided that this moratorium shall not apply to any
16 emergency capital improvement project that is required to repair
17 any damage to infrastructure or a street caused by a natural
18 disaster or act of god and necessary to safeguard the health and
19 safety of the general public.

20 SECTION 9. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.

22 SECTION 10. This Act shall take effect on July 1, 2015.



Report Title:

HCDA; Kakaako; Public Facility Projects

Description:

Establishes Kakaako central small business district. Requires the authority to confer and obtain consensus from real property owners within and adjacent to a proposed public facility prior to undertaking any public facility as part of the district-wide improvement program. Requires that the dedication for public school facilities be on a fair-share basis, as determined by the department of education, and agreed to in writing by the department of education and the developer. Transfers \$ from the Hawaii community development revolving fund to the department of education. (SD2)

